

AMENDED IN ASSEMBLY JUNE 5, 2003

AMENDED IN SENATE APRIL 24, 2003

**SENATE BILL**

**No. 508**

**Introduced by Senator Escutia**  
**(Coauthor: Senator Romero)**

February 20, 2003

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An act to add Section 2984.5 to the Civil Code, relating to automobile sales financing.

LEGISLATIVE COUNSEL'S DIGEST

SB 508, as amended, Escutia. Automobile sales financing.

Existing law regulates the terms and conditions of motor vehicle conditional sales contracts, as defined, and the sellers engaged in the business of selling or leasing motor vehicles under those contracts.

This bill would require a seller, as defined, to keep specified ~~records~~ *documents* for ~~5~~ 7 years ~~and make them available to the Attorney General on request~~ *or the length of the conditional sales contract, whichever is longer.* ~~Failure~~ *Unlawful failure* to provide the ~~records~~ *documents pursuant to a court order* would result in a civil penalty of \$5,000.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2984.5 is added to the Civil Code, to  
2 read:

1 2984.5. (a) A seller shall maintain the following records and  
2 ~~make them available to the Attorney General upon request~~  
3 *documents for at least seven years or the length of the conditional*  
4 *sales contract, whichever is longer.*

5 (1) A copy of each buyer's conditional sales contract.

6 (2) Any documents relied upon *by the seller* to determine a  
7 buyer's creditworthiness, including, but not limited to, any  
8 consumer credit report, as defined in Section 1785.3, or any other  
9 document containing a buyer's credit score, as defined in Section  
10 1785.15.1.

11 (3) If the conditional sales contract is sold, assigned, or  
12 otherwise transferred, a copy of the terms of that sale, assignment,  
13 or transfer.

14 ~~(b) The records required in subdivision (a) shall be maintained~~  
15 ~~for at least five years. A seller that fails to make records available~~  
16 ~~to the Attorney General upon request shall be liable for a civil~~  
17 ~~penalty of five thousand dollars (\$5,000) per violation in an action~~  
18 ~~by the Attorney General.~~

19 *(b) A seller that unlawfully fails to comply with a court order*  
20 *to produce the documents described in subdivision (a) shall be*  
21 *liable in an action brought by the Attorney General for a civil*  
22 *penalty of five thousand dollars (\$5,000) per violation. The*  
23 *penalties provided by this section are in addition to all rights and*  
24 *remedies that are otherwise available under law.*